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UNITED KINGDOM

The Labor Party won an overall majority in the general election on October 10, but by a considerably smaller margin than most opinion polls had predicted.

Labor took 319 of the 635 seats in the House of Commons, thereby gaining one seat more than is required for an absolute majority. The Conservatives netted 276 seats. Despite a confident start in the campaign, the Liberals lost a seat and finished with a total of only 13. The various nationalist parties picked up some seats, but not as many as had been anticipated. The poor showing of both the Tories and the Liberals destroyed any chance for a coalition government.

Prime Minister Wilson is expected to form the new government on Monday, at which time he is likely to announce a program of action. No major changes are likely in the composition of his cabinet.

Economic problems will command the immediate attention of the new government. The Prime Minister is certain to move toward increased government participation in industry. In view of the small size of Labor's majority, however, Wilson may be able to plead caution and soften the more radical demands of the party's left wing. Wilson is expected to make every effort to persuade labor to abide by the program of voluntary wage controls known as the "social contract." The success of Labor's anti-inflation program will depend largely on the cooperation of rank-and-file workers.

Membership in the EC will be another sticky problem. In an attempt to appease the anti-marketeers in Labor's left wing, Wilson proposed a referendum to decide the question of continued membership. During the campaign, Wilson faced opposition from influential cabinet members Shirley Williams and Roy Jenkins, who said they would leave the government if Britain opted out of the Community. The broad question of Britain's membership in the

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EC and the proposed referendum--expected within the year--may well cause dissension within the Labor government. According to recent public opinion polls, the odds are about even that Britons will vote to pull out.

The election outcome is unlikely to change the status of the UK defense review. Decisions on cuts in the defense budget are expected to be announced sometime this fall. Recent press reports listing the options being considered suggest that some cuts in Britain's NATO-committed forces are inevitable.

The new government will need to pay greater attention to the demands of the regional parties, notably the Scottish Nationalists. With their small but respectable total of 11 seats and the prospect of considerable wealth flowing into Scotland from the North Sea oil fields, the Scottish Nationalists will have a stronger voice in Parliament.

Hard-line Protestants in Ulster suffered a major setback when a Catholic independent beat their candidate, parliamentary leader Harry West. Enoch Powell, the Tory rebel and a nemesis of Heath, won representation as an Ulster Unionist, however, and may inherit West's role. Although Protestant hard-liners held on to 10 of Northern Ireland's 12 seats, the surprise win by the independent and the fact that moderate Catholic Gerry Fitt was returned may serve to blunt the Unionists' campaign against power-sharing in Ulster.

Heath's political career will probably not survive this latest defeat. Aware that his tough stand against the unions contributed to his defeat in the election last February, Heath tried--unsuccessfully--to project a conciliatory image in this campaign.

Although Heath will retain his seat in Parliament, the Conservative Party within a few months will probably name a new leader--untainted by past defeats--to act as shadow prime minister. The present party chairman, William Whitelaw, is likely to be considered for the job. [REDACTED]

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GREECE

[REDACTED] [REDACTED]

The KKE, which was recently legalized for the first time in over 25 years, will compete in the parliamentary election on November 17 in an alliance called the "Unified Left."

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That alliance, which will probably not last beyond the elections, groups the KKE, the dissident Greek Communist Party and the former Communist front, the United Democratic Left. Composer Mikis Theodorakis has also joined the alliance.

Up to the announcement of the alliance, the Moscow-backed KKE had refused to cooperate with the United Democratic Left and was feuding with the dissident Communist Party over which group had the right to call itself the KKE. Its sudden change of heart, which took the Greek left by surprise, probably resulted from Soviet pressure and financial inducement. A campaign by a unified left will be better able to exploit the opportunities offered by the government's policy of equal time on national television for all major political groups.

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[REDACTED] [REDACTED]

The KKE has been extremely active in opening offices throughout the country, whereas the organization of the not so well-financed dissident Communist Party is notably weaker. The KKE's main problem is finding candidates with sufficient prestige. Most of its present leaders, such as Harilaos Florakis, do not qualify as candidates because of their loss of citizenship resulting from support of communist guerrillas during World War II.

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The United Democratic Left received 11 percent of the vote during the 1964 elections. [REDACTED]

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[REDACTED] leftist Andreas Papandreou, who has not joined the new left grouping but apparently has ample funds, may get as much as 25 percent. [REDACTED]

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TURKEY

President Koruturk has again turned to Bulent Ecevit to try to form a new government. In a speech on October 10, Koruturk outlined the efforts he had made to obtain a government of "national unity," and also touched on other problem areas, including the threatened cutoff of US military aid.

The President told the nation that the Turkish-US aid relationship was not charity but one of mutual assistance and mutual benefits. Koruturk echoed other Turkish leaders who have claimed that suspension of aid would not affect Turkey's policy in Cyprus or elsewhere, and he added that in any event, Turkey would stay in NATO.

In discussing the efforts that have already been made to form a government, Koruturk raised the possibility of developing a more effective electoral system that might avoid the periodic political crises of recent years. Other leaders, including Suleyman Demirel of the Justice Party, are also suggesting that a new look should be taken at a system that has often produced weak governments.

Ecevit may try once more to arrange a coalition with the small right-of-center Democratic Party, but one Democratic faction remains dead set against such a move. A minority government made up entirely from Ecevit's Republican People's Party thus seems to be the most likely result.

Ecevit might get support in parliament from the Justice Party if he agreed to join Demirel in an effort to abandon the system of proportional representation. Ecevit and Demirel, leaders of the two major parties in Turkey, would stand to benefit most from abolishing the present system, which contributes to the proliferation of small parties.

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FOR THE RECORD

USSR: Moscow has given out some unofficial estimates of the grain harvest. According to a Soviet lecturer in Leningrad, the harvest will be "about 195 million tons, and maybe less"--some 10 million tons below plan. He attributed this shortfall to poor weather in both the growing and harvesting seasons. Another lecturer in Leningrad said Moscow expects 190-195 million tons of grain, but cited Brezhnev's statement that the crop is "not bad." The Soviet agricultural attaché to the US claimed recently that the harvest will be 5 percent above the average of the last five years--that is, about 193 million tons. [REDACTED]

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Warsaw Pact: A Warsaw Pact conference of military leaders in East Germany has been scheduled for October 21-26, a time that conflicts with the celebration of Romanian Armed Forces Day on October 25. [REDACTED]

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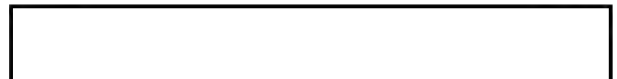
[REDACTED] Armed Forces Day is always a major event for Bucharest, and the scheduling of the conference places the maverick Romanians in a position where they must choose between high-level representation at the conference and attendance at their own celebration.

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